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ANNUAL AUDITED REPORT  
FORM X-17 A-5  
PART III

SEC FILE NUMBER

8-52493

## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Bulltick, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

Alfonso Napoles Gandara 50-20 Piso

(No. and Street)

Col. Pena Blanca Santa Fe

(City)

Mexico D.F.

(State)

01210

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Javier Guerra305-533-1541

Number)

(Area Code - Telephone

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Kaufman, Rossin & Co.

(Name - if individual, state last, first, middle name)

2699 South Bayshore Drive

(Address)

Miami

(City)

Florida

(State)

33133

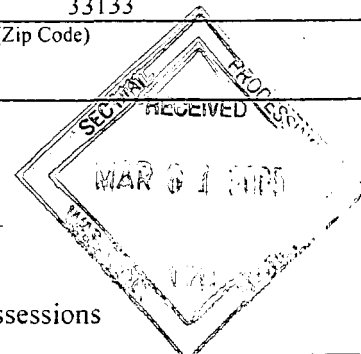
(Zip Code)

## CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in the United States or any of its possessions

PROCESSED

MAR 23 2005

THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17 a-5(e) (2)

3/10

## OATH OR AFFIRMATION

I, Javier Guerra, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bulltick, LLC, as of December 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

No exceptions



Yailing Collazo  
Commission # DD198480  
Expires March 31, 2007  
Aaron Notary  
1-800-350-5161

(Notary Public)

(Signature)

Managing Director  
(Title)

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition. (Cash Flows)
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditors' report on internal control required by SEC Rule 17a-5.

*\*\* For conditions of confidential treatment of certain portions of this filing. See section 240.17a-5(e)(3).*

A report containing a statement of financial condition has been included, ~~accordingly it is requested that this report be given confidential treatment.~~

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## INDEPENDENT AUDITORS' REPORT

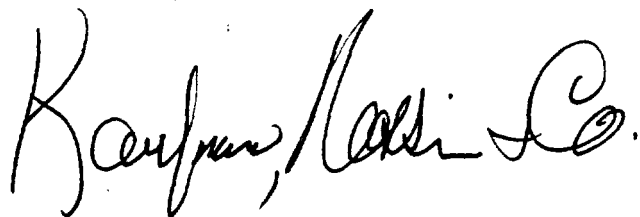
To the Sole Member  
Bulltick, LLC  
Miami, Florida

We have audited the accompanying statement of financial condition of Bulltick, LLC as of December 31, 2004. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Bulltick, LLC as of December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Miami, Florida  
February 10, 2005



**KAUFMAN  
ROSSIN &  
CO.** PROFESSIONAL  
ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS

**BULLTICK, LLC**  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2004

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**ASSETS**

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CASH AND CASH EQUIVALENTS	\$ 3,697,457
SECURITIES OWNED, AT MARKET (NOTE 4)	15,461,199
RECEIVABLE FROM CLEARING BROKERS (NOTE 4)	218,763
RECEIVABLE FROM FOREIGN BROKERS (NOTE 4)	2,313,854
DEPOSITS AT CLEARING BROKERS (NOTE 4)	748,252
OTHER RECEIVABLES	160,428
OTHER ASSETS	63,926
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	\$ 22,663,879

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**LIABILITIES AND MEMBER'S EQUITY**

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**LIABILITIES**

Securities sold, but not yet purchased, at market (Note 4)	\$ 1,290,312
Payable to clearing brokers (Note 4)	2,576,617
Accounts payable and accrued liabilities	4,723,625
Total liabilities	8,590,554
MEMBER'S EQUITY (NOTE 5)	14,073,325
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	\$ 22,663,879

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See accompanying notes.

# **BULLTICK, LLC**

## **NOTES TO STATEMENT OF FINANCIAL CONDITION**

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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#### ***Description of Business and Organization***

Bulltick, LLC, a Delaware limited liability company (the Company), is a registered broker-dealer with the Company's sole member being a Scottish limited partnership (Parent). The Company's membership in the National Association of Securities Dealers, Inc. became effective on September 18, 2000, but it did not commence brokerage operations until January 2001. The broker-dealer acts in an agency capacity for its customers located within Latin America and Europe, assisting customers with conversions of United States listed ADR's (American Depositary Receipts) with the corresponding locally traded equities, and charging commissions. The Company also trades ADR's and foreign debt securities for its own accounts primarily on a riskless principal basis and also earns placement fees for assisting in raising money for various global fixed income investment entities. The Company's trading operations are in Mexico City and Sao Paulo, Brazil.

#### ***Government and Other Regulation***

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

#### ***Securities Transactions***

Securities transactions, along with related commission income, arbitrage services, clearing charges and commission expenses, are reported on a trade date basis. Securities owned or sold, but not yet purchased are valued at market. Securities for which quotations are not readily available are valued at fair market value as determined by the Company's management.

#### ***Cash Concentration and Cash Equivalents***

The Company may, during the ordinary course of business, maintain account balances with banks in excess of federally insured limits as well as financial institutions outside the United States of America. The Company considers cash held at brokers to be cash equivalents.

#### ***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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***Income Taxes***

The Company is not subject to income taxes as it is a disregarded entity for income tax purposes as a single member limited liability company, whose operations are reflected in the tax return of the Company's Parent.

***Derivative Financial Instruments***

Derivative financial instruments used for trading purposes, including economic hedges of trading instruments, are carried at market value or, if market prices are not readily available, fair value. Market values for exchange-traded derivatives, principally futures are based on quoted market prices.

Derivatives used for economic hedging purposes include futures. Unrealized gains or losses on these derivative contracts are recognized currently in the statement of income as trading revenues. The Company does not apply hedge accounting as defined in FASB Statement No. 133 (the "Statement"), "Accounting for Derivative Instruments and Hedging Activities", as all financial instruments are marked to market with changes in fair values reflected in earnings. Therefore, the disclosures required in paragraphs 44 and 45 of the Statement are generally not applicable with respect to these financial instruments (See Note 4).

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**NOTE 2. NET CAPITAL REQUIREMENTS**

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As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission, which requires that "Net Capital", as defined, shall be at least the greater of \$100,000 or one-fifteenth of "Aggregate Indebtedness", as defined. At December 31, 2004, the Company's "Net Capital" was \$7,293,031, which exceeded requirements by \$6,978,123, and the ratio of "Aggregate Indebtedness" to "Net Capital" was 0.65 to 1.

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**NOTE 3. MANAGEMENT AGREEMENT**

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The Company has a management agreement with an entity in Mexico City, related by virtue of common ownership. The Company receives management and administrative services, including use of its office facility in Mexico City and in Sao Paulo, Brazil as well as staffing, in consideration of management fees.

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**NOTE 4. RISK CONCENTRATIONS**

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***Clearing and Depository Concentration***

The clearing and depository operations for the Company's securities transactions are provided by Pershing whose principal office is in New Jersey, Calyon, LLC whose principal office is in New York and another brokerage firm located in Chicago, Illinois. At December 31, 2004, deposits at clearing brokers, the amount receivable from clearing brokers and payable to clearing brokers included in the accompanying statement of financial condition are held by and due from or to these brokers.

Amounts receivable from clearing brokers and foreign brokers represents cash balances and amounts owed the Company for unsettled transactions.

Amounts payable to clearing brokers represent amounts due to these brokers and is collateralized by securities owned by the Company and securities awaiting receipt on uncompleted transactions.

***Securities Owned***

The Company's security holdings are subject to credit risks inherent in the issuing countries.

The securities owned, at market, at December 31, 2004, consisted of issues from the following countries:

Country	Fixed Income Securities	Equity Securities (ADR'S)	Total Securities
Colombia	\$ 306,442	\$ -	\$ 306,442
Brazil	2,011,088	-	2,011,088
Chile	-	16,840	16,840
United States	-	12,074,983	12,074,983
Mexico	1,051,846	-	1,051,846
	\$ 3,369,376	\$ 12,091,823	\$ 15,461,199



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**NOTE 4. RISK CONCENTRATIONS (Continued)**

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***Securities Owned (Continued)***

The securities owned, at market, at December 31, 2004 were held in custody in the following countries:

Country	Fixed Income Securities	Equity Securities (ADR'S)	Total Securities
United States	\$ 2,265,522	\$ 11,993,907	\$ 14,259,429
Mexico	-	97,916	97,916
Brazil	1,103,854	-	1,103,854
	\$ 3,369,376	\$ 12,091,823	\$ 15,461,199

***Securities Sold, But Not Yet Purchased***

Securities sold but not yet purchased aggregate \$1,290,312 at December 31, 2004 and consists of fixed income, ADR and option securities. Subsequent market fluctuations may require the Company to purchase these securities at prices which exceed the carrying value in the accompanying statement of financial condition.

***Futures Trading Risks***

The Company enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include futures and are used to meet the needs of customers, conduct trading activities, and manage market risks and are, therefore, subject to varying degrees of market and credit risk.

Derivative transactions are entered into for trading purposes or to economically hedge other positions or transactions.

Futures provide for the delayed delivery of the underlying instrument. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements. Accordingly, futures contracts generally do not have credit risk.

The open trade equity in futures positions at December 31, 2004 is immaterial to the financial statements.

***Other Risk Concentrations***

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

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**NOTE 4. RISK CONCENTRATIONS (Continued)**

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***Other Risk Concentrations (Continued)***

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company through its clearing broker extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company may execute customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

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**NOTE 5. ADVANCES TO PARENT**

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During 2003 and 2004, the Company advanced amounts net of repayments to its Parent of \$1,975,192 and \$7,593,878, respectively. The total net advances of \$9,569,070 are presented as a component of member's equity. The Company intends to distribute these advances to the Parent in 2005, subject to regulatory approval.